1091

SUPREME COURT OF THE UNITED STATES.

No. 169.

JAMES G. WILSON, APPELLANT,

vs.

GEORGE A. SANDFORD AND ROBERT G. MUSGROVE.

ON APPEAL FROM THE CIRCUIT COURT U. S., FOR THE DISTRICT OF LOUISIANA.

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J. & G. S. Gideon, printers.

UNITED STATES OF AMERICA,
Circuit court, fifth circuit, district of Louisiana:

JAMES G. WILSON, complainant,
vs.
SANDFORD & Co., defendants. } No. 1,513. In chancery.

Pleas and proceedings before the honorable the circuit court of the United States, for the fifth circuit and district of Louisiana, at a circuit court aforesaid, in session in the city of New Orleans, on the 7th day of February, in the year of our Lord one thousand eight hundred and forty-eight, it being a day during the December term, A. D. 1847, of said court. The honorable John McKinly, one of the justices of the Supreme Court of the United States, presiding.

Be it remembered that, on the 28th day of May, A. D. 1846, came the complainant herein by his solicitor, John Henderson, esquire, and exhibited in the clerk's office of the circuit court aforesaid his bill of complaint against said defendants, in words and figures, to wit:

To the honorable the judges of the circuit court of the United States for the district of Louisiana.

James G. Wilson, a citizen of the State of New York, brings this his bill against ——— Sandford and ——— Musgrove, both citizens of the State of Louisiana, doing business under the firm name, style, and partnership of Sandford & Co.

And thereupon your orator complains and says, that William Woodworth, now deceased, a citizen of the State of New York, did, in his lifetime, obtain from the Patent office of the United States a certain patent for an improved method of planing, tonguing, and grooving, and cutting into mouldings, either plank, boards, or other materials, &c., &c.; which patent was for the term of fourteen years from its date of 27th December, 1828.

That, before the expiration of said patent, William W. Woodworth, the son and administrator of said William Woodworth, deceased, obtained an extension of said patent for the term of seven years from the 27th of December, 1842, being the date at which the first term of the patent expired.

That your orator, at divers times and by several conveyances, obtained from the said administrator, by assignment, all right and interest in said patented extension as applicable to the several States and territories of the United States, excepting only the State of Vermont; but more especially did obtain from said administrator, by assignment on the 2d day of March, 1843, all right in said extended patent to and for the States of Louisiana, Alabama, and the then Territory, now State, of Florida; and all which said assignments have been duly placed on record in the Patent office of the United States.

Your orator, being so seized and possessed of the patent right aforesaid, on the 23d day of April, 1845, did enter into a certain agreement of that date, to and with the said Sandford & Co., whereby your orator, for the consideration of one thousand four hundred dollars, of which sum two hundred and fifty dollars was paid by the said Sandford & Co. to your orator in cash, and the balance of said sum was promised to be paid in the five promissory notes of the said Sandford & Co., all bearing date the said 23d April, 1845; the first, for the sum of $150, was payable in ninety days thereafter, and the four remaining notes, for $250 each, were payable in nine, twelve, eighteen, and twenty-four months from date.

And your orator further represents, that said license was sold to said defendants with a certain condition of forfeiture thereto affixed, to the import and effect following: That if said notes, or either of them, were not punctually paid on the maturity thereof, then all and singular the rights thereby granted were to revert to the said Wilson, who should thereupon be reinvested in the same, in the same manner as if said license had not been made; which said agreement and license, as executed by both parties, your orator herewith exhibits, marked A, and prays may be taken as part of this bill.

And your orator represents, that, being duly entitled to the patented extension as before set forth, and which defendants, by recital in their said agreement, have conceded and acknowledged, your orator did license and permit the said defendants to have the right to set up and use one of said planing machines of the Woodworth patent; and said defendants did accordingly put in use said machine in the city of New Orleans, and have been, until the happening of the condition of forfeiture hereinafter mentioned, permitted the profitable use and enjoyment of said machine, without let or hindrance, or interruption from your orator.

But your orator represents, and such the truth is, that said defendants, regardless of the stipulation and condition by them made in their license as before mentioned, did suffer and permit one of their said notes, given for the consideration aforesaid, viz., the note for $250, payable at 9 months from the 23d of April, 1845, to become due and payable, and to remain in default of payment, after it become due and had been demanded in payment from them. Also, that they made like default on one other of said notes of same date, due and payable 12 months thereafter, for the like sum of $250, payment of which had also been demanded; but to pay both, or either, of said notes, they, said defendants, have neglected to do, and, as your orator charges, made wilful default; and both of which promissory notes your orator exhibits herewith, marked (B) and (C,) and are prayed to be taken as part of this bill.

Wherefore, and by reason of the default aforesaid, your orator has claimed, and does claim, the forfeiture of the right and license so granted to defendants as aforesaid, and avers, asserts, and maintains, that the said right and license has, from the day of , A. D. 1846, reverted to your orator, and reinvested in him, and is now right-

fully, lawfully, and equitably invested in your orator as if said license had never been made.

But the said Sandford & Co., contriving to harrass and oppress your orator, and to deprive him of his right and franchise in said patent, without payment or consideration therefor, and without license, permit, or authority from your orator, and in violation of your orator's rights, as resulting from the terms and conditions of said agreement A, and since the forfeiture incurred by said condition, have kept in use and operation, within the city of New Orleans, and have now in use in said city, one of said machines of the Woodworth patent, and are using and operating therewith to their great profit, and to the great injury of your orator. Wherefore your orator saith, that the said defendants are infringers of the patent rights of your orator, by the said unauthorized use of said machine.

All which actings and doings are contrary to equity and good conscience, &c., &c., and to redress which your orator prays the process of your honorable court against said defendants, requiring them to appear as by process directed; and that, upon their corporal oaths, they may answer the matters and things herein alleged against them, and that they may especially answer the following interrogatories:

1st. Is not the contract, herewith presented as exhibit A, authentic and true?

2d. Are not the promissory notes, herewith presented as exhibits B and C, authentic and true, and were they not given as part of the consideration of said contract of license, as per exhibit A?

3d. Have you not in use one of Woodworth's planing machines, as charged in this bill?

4th. Was not the license, specified in exhibit A, granted to you as authority to use the said machine you have now in use; and have you not, for a considerable time heretofore, run and used said machine, in virtue of said license and permit?

5th. Please set forth an account, shewing the profits resulting from your use of said planing machine since the period of your default of payment of the note B, and since your default of payment of the note C, as herewith exhibited.

6th. State if payment of the notes here exhibited as due and unpaid was not demanded of you; and if you were not also notified that the forfeiture of the license would be claimed if payment was not made as promised and required? And state the several times of said demand and notice.

And your orator prays your honorable court to award him an injunction, upon the exhibition of this bill, commanding and restraining said defendants from infringing the patent rights of your orator by the use of said machine; and that, under suitable penalties, they be compelled to desist from its use.

And that said defendants be compelled to account to and with your orator for all the profits which they have made and derived by the un-

authorized use of said machine since their forfeiture of license, as before shewn.

And that your orator's injunction, at the hearing of this cause, be made perpetual against said defendants, and the use of said machine by them.

And that your orator's reinvesiture of title to the right and license aforesaid, by virtue of said forfeiture, be recognised and sanctioned by the court's decree. And that you grant your orator all further and other relief as his case requires, and to equity appertains.

And as in duty bound, &c.

JOHN HENDERSON,
Solicitor for complainant.

STATE OF LOUISIANA, *city of New Orleans:*

Before me, Francis N. Haralson, a commissioner of the United States for the district of Louisiana, personally appeared James G. Wilson, the above named complainant, who, being duly sworn, deposeth and saith, that all the allegations of said bill, as set forth upon the knowledge of this affiant, are correct and true in all things. And such facts as are represented to be derived from the information of others, he believes to be true.

JAMES G. WILSON.

Sworn to and subscribed before me, at New Orleans, in said district, this 28th May, 1846.

F. N. HARALSON,
Comm'r U. S. dist. La.

Exhibit A, to bill.

Whereas William Woodworth, now deceased, did in his lifetime obtain letters patent, issued under the great seal of the United States, bearing date the 27th day of December, 1828, giving and granting to him, the said Woodworth, his heirs, administrators, and assigns, for and during the term of fourteen years from the date of the said letters patent, the full and exclusive right and liberty of making, constructing, using, and vending to others to be used, a certain improved method for planing, tonguing, grooving, and cutting into mouldings, or either, plank, boards, or any material, and for reducing the same to an equal width and thickness; and also for facing and dressing brick, and cutting mouldings in, or facing, metallic, mineral, or other substances.

And whereas William W. Woodworth, administrator of said William Woodworth, hath applied and obtained an extension of said letters patent, for the term of seven years from and after the expiration of said patent, to wit, the 27th December, 1842, pursuant to the act of Congress in such case made and provided; and hath a certificate of said extension annexed to said patent, signed by the Commissioner of Patents, under the great seal of the Patent office of the United States, and dated November sixteenth, A. D. 1842.

And whereas William W. Woodworth did, by a conveyance, dated 20th day of December, 1842, convey to Thomas ap Thomas, of the city and county of New York, all the territory lying in the States of Maine and New Hampshire, which said conveyance was recorded in the Patent office at the city of Washington, on the 23d day of December, 1842, in Liber L, page 13 to 15. And the said Thomas ap Thomas did, by a conveyance, dated 14th of June, 1844, convey the said States of Maine and New Hampshire as aforesaid to the within named James G. Wilson, which said conveyance was recorded as aforesaid, on the 17th of June, 1844, in the Patent office, in Liber O, pages 402, 403, 404, 405.

And whereas the said William W. Woodworth did, by sundry conveyances as hereinafter named, to wit, on the second day of March, 1843, convey to the said James G. Wilson the State of Louisiana, and other States therein named, recorded in the Patent office, Liber L, pages 291, 292; also the State of Maryland, by deed dated the 9th day of August, 1843, recorded in the Patent office, Liber N, pages 226, 227, 228; also the State of New Jersey, by deed dated the 9th day of August, 1843, recorded in the Patent office, Liber N, page 178; also the State of Virginia, and other States therein named, the 14th day of September, 1843, recorded in the Patent office, Liber N, page 184; also Bristol county, in the State of Massachusetts, by deed dated 20th September, 1843, recorded in the Patent office, Liber N, pages 215, 216, 217; and, also, all the residue of said patent unsold, by deed dated 11th day of January, 1844, recorded in the Patent office, Liber O, pages 284, 285, 286, 287, 288.

And whereas Geo. A. Sandford and A. G. Musgrove have fully viewed, examined, and considered for themselves the said improvement, and, of their own motion, have requested and desired the said James G. Wilson to give a license and permission in writing for constructing and using, and vending to others, one machine on the said improved plan in the cities of New Orleans and Lafayette, and in no other city, town, or place in the United States, or the territories thereof, on the conditions hereinafter mentioned, and have offered to pay him the sum of one thousand and four hundred dollars for such license and consent in writing; with which request and desire the said James G. Wilson has agreed to comply.

Now, know all men by these present, that the said James G. Wilson, in consideration of the said sum of one thousand four hundred dollars to him in hand paid by the said Sanford & Musgrove, as follows, to wit, the sum of $250 in cash, and five notes payable to said Wilson or his order, the first for the sum of $150, payable in ninety days from date, and the four others, each for the sum of $250, payable in nine, twelve, eighteen, and twenty-four months from date, do hereby give his full consent and permission in writing, and license, to the said Sanford & Musgrove, and their executors, administrators, and assigns, to construct and use, and vend to others to construct and use, during the said extension of the aforesaid patent, planing machine on the im-

proved plan aforesaid, within said cities of New Orleans and Lafayette, and in no other city, town, or place, within the United States or the territories thereof; and also, within the said limits, to dispose of the plank or other things dressed and prepared in the said machine; and he doth, also, hereby authorize and empower the said Sanford & Musgrove, executors, administrators, and assigns, to commence and prosecute to final judgment any suit or suits against any person or persons who shall contract or use, or vend the said improvement within the said limits, contrary to the true meaning and intent of the aforesaid letters patent and extension thereof, and the laws in such case made and provided, and to receive to their own benefit, and at their own proper costs and charges, any penalty or penalties which they may recover.

And, in consideration of the premises, it is hereby covenanted and agreed, by and between the said James G. Wilson, his executors, administrators, and assigns, of the one part, and the said Sanford & Musgrove, their executors, administrators, and assigns, of the other part, as follows, viz:

1. That the said James G. Wilson, his executors, or administrators, during the term aforesaid, shall not, nor will themselves, construct or use, nor give their license, consent, or permission, to any other person than the said Sanford & Musgrove, and three others within said cities of New Orleans & Lafayette, and three others out of said cities, with privilege of selling the products in said market, to construct or use, or vend to others, the improved planing machine aforesaid within the said cities of New Orleans and Lafayette.

2. That the said Sanford & Musgrove, their executors, administrators, and assigns, shall not, nor will, during the term aforesaid, construct or use, or vend to others, more than one machine as aforesaid within the limits above mentioned, nor construct or use any such machine, nor sell and dispose of any plank or other thing dressed and prepared in such machine, any where else within the United States and the territories thereof. It being declared to be the true intent and meaning of these presents that not more than one planing machine in the whole shall be constructed and used by virtue of the license, consent, and permission herein given; and if said notes, or either of them, be not punctually paid upon the maturity thereof, then all and singular the rights hereby granted are to revert to the said Wilson, who shall be reinvested in the same manner as if this license had not been made.

Dated this 23d April, 1845.

JAMES G. WILSON,
SANFORD & CO.

Signed in duplicates—

H. RAREDRIDE,
WM. H. CHRISTY.

And it is, moreover, agreed to and understood, by and between the within named parties, that the said James G. Wilson shall maintain the validity of the patent herein before referred to; and, moreover, put

down, at his own expense, and as soon as it can be done by legal process, all infractions of the rights herein named by any person or persons whom or whatsoever, else to be liable to the said Sanford and Musgrove for all damages they may sustain in consequence of his, the said Wilson's, neglect to comply with this part of his contract; which damages shall not exceed the pro rata amount paid by them for this privilege, taking the time of interruption and the amount paid into consideration.

Signed in duplicate.

SANFORD & CO.,
Per R. G. MUSGROVE,
JAMES G. WILSON.

Witnesses—H. RAVERHIDE,
WM. H. CHRISTY.

STATE OF LOUISIANA, *city of New Orleans:*

I, William Christy, a notary public in and for the said city and parish of New Orleans, duly commissioned and qualified, do hereby certify, that James G. Wilson and Robert G. Musgrove came before me, and acknowledged the foregoing contract and supplemental contract to be their proper acts and deeds, for all the purposes therein contained and set forth, and that their signatures thereto are genuine.

In faith whereof, I grant these presents under my signature and seal of office, at New Orleans, this twenty-fourth day of April, 1845. [L. S.]

WM. CHRISTY, *Not. Pub.*

Exhibit B to bill.

$250. NEW ORLEANS, 23*d April*, 1845.

Nine months after date, we promise to pay to Mr. J. G. Wilson, or order, two hundred and fifty dollars, for value received.

SANFORD & CO.

Exhibit C to bill.

$250. NEW ORLEANS, 23*d April*, 1845.

Twelve months after date, we promise to pay to Mr. J. G. Wilson, or order, two hundred and fifty dollars, for value received.

SANFORD & CO.

And on the day of filing the foregoing bill and exhibits, the complainant sued out of the clerk's office of said court the writ of subpœna, which, with the marshal's return thereon endorsed, is as follows, to wit:

The President of the United States, to the marshal of the district of Louisiana, greeting:

You are hereby commanded to summon Sanford & Musgrove, who are citizens of the State of Louisiana, doing business under the firm name of Sandford & Co., in New Orleans, to appear before the honor-

able the judges of the fifth judicial circuit of the United States of America at a circuit court to be holden on the first Monday in July, A. D. 1846, then and there to answer a bill in chancery filed against him and another, wherein James G. Wilson, a citizen of the State of New York, is complainant, and Sandford & Musgrove are defendants. Herein fail not, and have you then and there this writ, with your endorsement thereon how you have executed the same.

Witness the honorable Roger B. Taney, chief justice of the Supreme Court of the United States of America, this 28th day of May, in the year of our Lord one thousand eight hundred and forty-six, and the 70th year of American independence.

[L. S.]

ED. RANDOLPH, *Clerk.*
By F. N. HARALSON, *D. C.*

The defendants are hereby notified, that unless they appear at a circuit court of the United States to be held at New Orleans, in said district, on the rule day in July next ensuing, and plead, answer, or demur to the complainant's bill, a decree pro confesso will be rendered against them.

F. N. HARALSON, *D. C.*

Marshal's return.

Received May 28th, 1846, and on the 3d day of June, 1846, I served a copy of the within summons in chancery on the within named Sanford & Musgrove by handing the same to Sandford, one of said firm, at their office in New Orleans. Returned 3d June, 1846.

J. H. RHINEHEART,
Dy. U. S. marshal.

Afterwards, to wit, on the fifth day of June, A. D. 1846, came the defendants herein, by their solicitor, and filing their demurrer and answer to said bill in words and figures, to wit:

In the circuit court of the United States for the district of Louisiana.

In chancery, between—

JAMES G. WILSON, complainant,
and
GEORGE A. SANFORD and ROBERT G. MUSGROVE, defendants.

The joint and several demurrer and answer of the said George A. Sanford and Robert G. Musgrove to the bill of complaint of the said James G. Wilson:

These defendants, by protestation, not confessing or acknowledging all or any of the matters or things in the complainant's said bill of complaint to be true, in such sort, manner, and form as the same are therein and thereby set forth and alleged, as to so much and such parts of said bill as seeks and prays the enforcement of a penalty or forfeiture and relief against these defendants, upon or by reason of the said promissory

notes and contract in the said bill set forth, these defendants do demur in law; and for cause of demurrer say, that it appears, by the complainant's own showing in his said bill of complaint, that he seeks the enforcement of a penalty or forfeiture, which is a matter merely triable at law, and touching which, as well as the sum or sums of money alleged to be due and unpaid upon the said several promissory notes in the said bill of complaint set forth, the said complainant has full and adequate relief at law.

Wherefore, and forasmuch as the complainant's said bill of complaint doth not contain (as these defendants are advised) any matter of equity, in respect to the said penalty or forfeiture, or to the said several sums of money so alleged to be due on the said promissory notes, sufficient to establish any demand against these defendants, or either of them, nor to draw them in suit into this honorable court, touching the said matters so complained of in the complainant's said bill of complaint, and also for many other errors and imperfections in the said bill contained, these defendants do demur in law thereunto, and humbly crave the judgment of this honorable court whether they ought to make answer to so much and such parts of said bill of complaint as are hereby demurred to; and humbly pray to be hence dismissed, with their costs in this behalf most wrongfully sustained.

H. A. BULLARD, *for defendants*.

I do hereby certify that, in my opinion, the foregoing demurrer is well founded in point of law.

RICHARD HENRY WILDE,
Counsellor at law.

George A. Sanford and Robert G. Musgrove, being sworn say, that the foregoing demurrer is not interposed for delay.

G. A. SANFORD,
R. G. MUSGROVE.

Sworn to and subscribed before me, at New Orleans, in the district of Louisiana.

F. N. HARALSON, *Commissioner*.

The answer of the said George A. Sanford and Robert G. Musgrove to the bill of complaint of the said James G. Wilson.

These defendants, jointly and severally, reserving to themselves, now and all times hereafter, all and all manner of benefit and advantage of exception to the insufficiencies, uncertainties, and defects in the said complainant's said bill contained, and in no wise waiving their foregoing demurrer, but insisting thereon, for answer to the said bill, or to so much and such parts thereof as these defendants are advised it is material and necessary for them to answer unto, namely, the several interrogatories in the said bill contained, these defendants answering say:

To the first interrogatory they answer: That the contract therewith presented, and marked A, is authentic and true; but that the same was most essentially and materially changed by another contract, between

the same parties, entered into only two days afterwards, to wit, on the twenty-fifth day of April, in the year of our Lord one thousand eight hundred and forty-five, and recorded in the United States Patent office on the fourteenth day of May, in the same year, to which the said complainant has not referred, neither has he set it forth in his said bill, or made it an exhibit thereto. But these defendants file herewith a copy of the said last mentioned contract between the said complainant and these defendants, by the name and style of their firm of Sanford & Co., and certain other persons therein named, which is marked exhibit Aa, and which these defendants pray may be taken as a part of this their said answer.

To the second interrogatory these defendants answering say: That the promissory notes therewith presented as exhibits B and C, are authentic and true, and that they were given in part consideration of said contract of license marked exhibit A. But, before the execution of said contract, exhibit A, was entered upon, the said complainants and these defendants, by mutual consent, modified and changed the same by essential and material alterations therein, contained in exhibit (Aa,) herewith filed, and herein before referred to; by reason and force whereof, as these defendants are advised and verily believe, the consideration of the said several promissory notes became and was, both at law and in equity, not the said contract of license, marked exhibit A, alone, but the modified and altered contract produced and filed by these defendants marked exhibit (Aa.)

That in and by the said last or modified contract, in consideration that these defendants and others, holding under such patent, should and did thereby relinquish certain privileges and advantages which they enjoyed under their first contracts, whereof the said complainant's exhibit A was one, which privileges and advantages, by reference to defendants' exhibit (Aa,) will fully and at large appear, the said complainant, by said modified and altered contract (Aa,) agreeing that no more than five machines shall be in operation within the cities of New Orleans and Lafayette, or out of said cities, with privilege of vending in said market; it being the true intent and meaning of the said party to transfer to the said five individuals, or partnerships, composing said party of the second part, whereof these defendants' firm of Sandford & Co. was one, the entire monopoly of the said market of New Orleans, for lumber dressed from machines constructed upon the principle and according to the specification of the Woodworth patent aforesaid. And the said party of the first part thereby further agreed, that he would proceed at his own cost to restrain, by judicial proceedings, any and all infringements upon said monopoly granted as aforesaid; with a proviso that, if he failed in sustaining an injunction, he should be liable only in proportion to the time of said infringement, and the consideration thereby agreed to be paid by the party of the second part. And it was thereby further stipulated and agreed, that the said party of the second part, whereof these defendants' firm of Sanford & Co. were one, should possess and enjoy said monopoly in five equal proportions, that is to say, that each of said individuals,

or partnerships, composing said party of the second part, should have the right to construct, use, and vend the product of one of said machines as aforesaid, to the exclusion of all others, except the four other individuals or partnerships. And it was thereby furthermore agreed and stipulated to be the true intent and meaning of the parties, that no more than five machines, for the (planing, tonguing, and grooving plank,) shall be in operation in said cities of New Orleans and Lafayette, and that said market shall not be supplied from any other source proceeding from the States of Louisiana, Mississippi, Alabama, and the Territory of Florida.

And these defendants further answering the said second interrogatory in fact say: That the market of New Orleans has long been, and still is, supplied with plank planed, tongued, and grooved by machinery proceeding from a part, or parts, of the States aforesaid, in contravention of the exclusive right or monopoly so guaranteed to these defendants, and others, in the said altered and modified contract, by the said James G. Wilson; and these defendants have been advised, and verily believe, that the said James G. Wilson has no lawful power or authority to secure and protect these defendants in the enjoyment of the said exclusive right and monopoly of supplying the said market of New Orleans with machine dressed plank as aforesaid; which was the main consideration of such contract, and without which it would not have been made on the part of these defendants. And these defendants further answering say, that the consideration of the said contract, and amended contract, has totally failed, as by these defendants' answers to this and the succeeding interrogatory will fully appear, as well as by the decisions of the Supreme Court of the United States in various cases to which the said James G. Wilson was a party, and especially by the decision in the case of James G. Wilson, complainant, and Andrew I. Simpson, Joseph Forsyth, and B. Mills, defendants.

To the third interrogatory these defendants answering say: That they have in use one of Woodworth's planing machines as stated in said bill, but they had one of said planing machines in use in the month of March, in the year 1842; and that they are advised, and verily believe, that the decisions of the Supreme Court, before referred to, establish the right of these defendants to continue the use of said machine and the vending of its products, under the renewal of the patent right, without any new license from the patentee's administrator or assigns, and that so far (faith) as the pretended grant of a new license is insisted on as the consideration of the promissory notes in the first contract (exhibit A) mentioned, the said notes are wholly without consideration and void.

To the fourth interrogatory these defendants answering say: That, in their preceding answers, they have fully set forth the facts and circumstances attending said license and contracts.

That said pretended license, specified as exhibit A, was assumed and professed to be granted to these defendants as authority, which by law these defendants already had, in consequence of their being in actual use of a machine at the time of the renewal of the patents; and these

defendants admit that they have for a considerable time run and used said machine in ignorance of their legal rights; but they deny that, in point of law, it was under such license. On the contrary, being in possession of and running such machine in March, eighteen hundred and forty-two, these defendants are advised and believe that they hold, not under the renewed patent by virtue of a license from the patentee's administrator or assignee, but under the original patent in their own right, by virtue of a renewal which enures pro tanto to their benefit.

These defendants began to run such machine in March, 1842. In 1843 business was dull, and they ceased to run it, but resumed in 1844, and still continue to run and use it.

To the fifth interrogatory these defendants answering say: That they annex herewith, marked exhibit (Bb) (Cc), setting forth full accounts of the profits made, and the losses suffered by reason of all the premises.

To the sixth interrogatory these defendants answer: That the only demand made upon them for the payment of the said notes was that contained in a letter from the honorable John Henderson to the defendants, dated St. Charles Hotel, May 21st, 1846, and herewith filed, marked exhibit (Dd).

And as to all the residue and remainder of said bill, these defendants are advised and believe they are not required or allowed by law to answer thereunto, otherwise than by stating their ignorance of the matter, and having the said complainant to make due proof of the same as he shall be advised. All which matters and things these defendants are ready to aver and prove, as this honorable court shall direct and award, and humbly pray to be hence dismissed with his reasonable costs in this behalf most wrongfully sustained.

H. A. BULLARD, *for def'ts.*

George A. Sanford and Robert G. Musgrove, of the city of New Orleans, being duly sworn, say, that what is contained in this their answer, as far as concerns their own act and deed, is true of their own knowledge; and what relates to the act and deed of any other person or persons, they believe to be true.

G. A. SANFORD,
R. G. MUSGROVE.

Sworn to and subscribed before me, at New Orleans, in the district of Louisiana, this 5th June, 1846.

F. N. HARALSON, *Commissioner.*

Exhibit Aa to answer.

This memorandum of agreement, made this 25th day of April, A. D. 1845, between James G. Wilson, of New York, of the one part, and Thomas Williams, A. M. Depouilly, Prague & Sherman, Curtins & Graban, and Sanford & Co., of the second part, witnesseth: That whereas heretofore, at sundry times, the said party of the first part, as assignee of the patent rights under the Woodworth patent, so called, as

extended by the board of commissioners for seven years from the year 1842, has granted to the parties of the second part licenses to construct and use said invention within the cities of New Orleans and Lafayette; and whereas said party of the first part, in each of said contracts of license, has agreed that no more than four of said machines shall be in operation in said cities of New Orleans and Lafayette, and has also reserved to himself the right of disposing of three other of said machines, with the privilege of vending the dressed lumber produced from said machines in said market:

Now, therefore, the said parties of the second part, desiring to secure to themselves the right thus reserved by the first party, in relation to said three machines out of said cities, do hereby agree, in consideration of the agreement of said first party hereinafter set forth, that the said first party may grant licenses for five machines, to operate within said cities of New Orleans and Lafayette; and the said party of the first part hereby releases, transfers, and assigns the reservation by him made as aforesaid, to license three machines out of said cities, with the privilege of vending the product of the machines therein, to said party of the second part, hereby agreeing that no more than five machines shall be in operation within said cities of New Orleans and Lafayette, or out of said cities, with privilege of vending in said market; it being the true intent and meaning to transfer to the said five individuals, or partnerships, composing said party of the second part, the entire monopoly of the said market for lumber dressed from machines constructed upon the principle, and according to the specifications, of the Woodworth patent aforesaid. And the said party of the first part hereby agrees that he will proceed at his own cost to restrain, by judicial proceedings, any and all infringements upon said monopoly granted as aforesaid. And the said party of the first part is only to be liable, should he fail in obtaining an injunction to restrain as aforesaid, in proportion to the time of said infringement, and the consideration hereby agreed to be paid by said second party; it being understood by and between the parties, that the said party of the second part is to enjoy and possess said monopoly in five equal proportions, that is to say, each of said individuals, or partnerships, composing said party of the second part, is to have all the right to construct, use, and vend the product of one of said machines as aforesaid, to the exclusion of all others except the four other individuals or partnerships. And it being further understood and agreed, that the individuals and firms composing said second party may, should they so desire, possess two of said machines, but with the special qualification that said second machine is under no circumstances to be transferred by them, and not to be in operation at the same time with the other machine; it being the true intent of the parties that no more than five machines shall be in operation in said cities of New Orleans and Lafayette, and that said market shall not be supplied from any other source proceeding from the States of Louisiana, Mississippi, Alabama, and the Territory of Florida. And, in consideration of the aforesaid grant and release of reservation as aforesaid by the said first party, the said indi-

viduals and partnerships composing the second party agree to pay to said first party, and to give their notes therefor to the said first party, payable to him, or his order, in twelve months from the date thereof, the sums following, to wit: Thomas Williams two hundred dollars, the said A. M. Depouilly four hundred dollars, the said Prague & Sherman the sum of four hundred dollars, the said Curtins & Graban the sum of two hundred and fifty dollars, and the said Sanford & Co. the sum of two hundred dollars; said notes to be subject to the same conditions, as to the payment thereof, and reversion of rights granted in case of non-payment, as is set forth in said acts of original license.

(Signed) CURTINS & GRABAN,
JAMES G. WILSON,
SANDFORD & CO.,
For A. M. Depouilly, DEPOUILLY, Sn.,
THOMAS WILLIAMS,
PRAGUE & SHERMAN.

Exhibit (Bb) to answer.

Profit and loss account of the planing machine in use by G. A. Sanford and R. G. Musgrove.

From 23d April, 1845, to 1st January, 1846, our nett loss was $402 82
From 1st January, 1846, to 23d April, 1846, our nett profit was - - - - - - - - $36 76

SANDFORD & CO.

Exhibit (Cc) to answer.

An account of what the profits on the planing machine in use by G. A. Sanford and R. G. Musgrove would have been had J. G. Wilson complied with his contract.

From 23d April, 1845, to 1st January, 1846, our profits would have been - - - - - $7,142 00
From 1st January, 1846, to 23d April, 1846, our profits would have been - - - - - $3,092 00

SANDFORD & CO.

Exhibit (Dd) to answer.

St. Charles Hotel, *May* 21, 1846.

Messrs. Sandford & Co.

Gentlemen: The notes you owe, due to Mr. James G. Wilson, as I have before advised you, are in my possession for collection, and two of them are past due and yet unpaid. For this default, we regard your contract forfeited under which these notes were given; and, with no purpose otherwise [than] to waive the forfeiture, we yet offer you to do so, if the notes are paid on to-morrow by ½ past 2 o'clock, P. M.

At that time I may be found in the rotundo of the St. Charles with the notes to receive payment, and if not paid the rights you hold will be transferred to others, and an injunction sued for against you.

JOHN HENDERSON.

Afterwards, to wit, at circuit court of the United States aforesaid, in session at the city of New Orleans, on the 1st day of July, A. D. 1846, the honorable Theodore H. McCaleb, judge, &c., on the bench: This cause having been argued and submitted to the court at a former day of this term, upon the application made by complainant for an injunction herein, and the court having maturely considered the same, doth now order and adjudge and decree, that the said injunction be and the same is hereby refused, at said complainant's costs.

Afterwards, to wit, at rules holden in the clerk's office of the court aforesaid, on the 1st Monday in July, A. D. 1846, it being the sixth day of said month: On motion of John Henderson, esq., solicitor for complainants herein, it is ordered, that this cause be and the same is hereby set down for argument upon the demurrer of defendants, G. A. Sanford and R. G. Musgrove, and so much of complainant's bill as is thereby demurred to.

And at the same rules, holden as aforesaid, on motion of John Henderson, esq., solicitor for complainant herein, it is ordered, that this cause be and the same is hereby set down for argument upon the answer and exhibits of defendants, G. A. Sanford and R. G. Musgrove, and so much of said complainant's bill as is responded to by said answer.

Afterwards, to wit, at rules holden in the clerk's office of the court aforesaid, on the first Monday of March, A. D. 1847, it being the first day of said month, on motion of John Henderson, esq., solicitor for complainant herein, it is ordered, that so much of the order taken by complainant at July rules, A. D. 1846, as sets down defendants' answer for argument, &c., be and the same is hereby set aside, set order being inadvertent in terms and not within the known rules of practice; and for leave to file replication to said answer, it is further ordered, that this cause be set for hearing, and that commissions be opened in this case.

Whereupon, on said day, the complainant, by his solicitor, filed his replication to said answer in words and figures, to wit: And now comes the complainant, and for replication to defendants' answer heretofore filed with his demurrer, saith that, without waving any right to be heard in objection or on argument to the defendants' demurrer, complainant saith, that from any thing set forth in said answer and contained, he ought not to be barred or precluded from having and maintaining his suit in manner and form as in his bill set forth. And said complainant's reaffirming the averments of said bill, will maintain and prove the same as by law required; and prays as heretofore he has prayed, &c., &c.

JOHN HENDERSON,
Solicitor for complainants.

Afterwards, to wit, at a circuit court aforesaid, in session at the city of New Orleans, on the fourth day of May, A. D. 1847, the honorable Theodore H. McCaleb, judge, on the bench: This cause having been regularly set down for final hearing at the rules, appeared the respective

parties, complainant and defendants, in court by their solicitors; whereupon said case was taken up and opened on the behalf of the complainant, and continued until to morrow the 5th instant, at 10 o'clock, A. M. On said 5th instant, this cause having been opened on yesterday, the 4th instant, and continued until this day, the further hearing thereof was this day resumed, when said cause was taken up and argued by counsel, and submitted to the court, who took the same under advisement.

Afterwards, to wit, on the 7th day of May, A. D. 1847, said circuit court being in session, the honorable Theodore H. McCaleb, judge, on the bench: This cause coming on to be argued upon the bill and exhibits of the complainant, and the demurrer of the defendant, it is ordered, adjudged, and decreed, that the demurrer be overruled. And thereupon the same case came on to be heard upon the bill and exhibits of the complainant, and the answer and exhibits of the defendants filed with the demurrer; and upon replication, and upon the case put to hearing after commissions opened, but without further testimony. Whereupon his honor the Chancellor doth order, adjudge, and decree, that an injunction be awarded, enjoining and restraining the defendant, under the penalties of the law, from resuming or using the planing machine known as Woodworth's planing machine, unless, within sixty days, he pay and satisfy to the complainant the several promissory notes, with legal interest thereon, given for defendants' license in this case, and remaining due and unpaid, together with all the costs in this case accrued.

Afterwards, to wit, on the 8th day of July, A. D. 1847, said circuit court being in session, the honorable Theodore H. McCaleb, on the bench: The defendants herein, George A. Sanford and Robert G. Musgrove, feeling aggrieved at the decree rendered in this case against them, on the 7th day of June, A. D. 1847, appeared this day, in open court, said defendants, by their solicitor, Henry A. Bullard, and moved an appeal to the Supreme Court of the United States therefrom, to operate as a supersedeas to said decree.

Whereupon it was considered by the court that an appeal, operating as a supersedeas to said decree, be and the same is hereby granted said defendants from said decree to the Supreme Court of the United States, returnable to the next term thereof, on said defendants furnishing the complainant, James G. Wilson, their bond, with as their surety, in the penal sum of five thousand dollars, conditioned that said defendants, George A. Sanford and Robert G. Musgrove, shall prosecute their said appeal with effect, and answer all damages and costs that complainants may sustain in the event that said defendants fail to make good their said appeal."

Afterwards, to wit, on the 21st day of January, A. D. 1848, during the session of the said circuit court, the honorable John McKinley, presiding judge, and the honorable Theodore H. McCaleb, district judge, being on the bench, this cause was argued and submitted to the court, and taken under advisement.

And now, at this day, to wit, the seventh day of February, A. D. 1848, it being the day first herein written, at a circuit court of the United States aforesaid, in session, the honorable John McKinley, presiding judge, on the bench, absent the honorable the district judge, this cause came on to be heard at this term, and was argued by counsel; and thereupon, upon consideration thereof, it was ordered, adjudged, and decreed, that the complainant's bill be, and the same is hereby, dismissed with costs.

Decree rendered 7th February, A. D. 1848. Signed 9th February, A. D. 1848.

J. McKINLEY.

Afterwards, to wit, at a circuit court aforesaid, in session, on the 29th day of February, A. D. 1848, the honorable John McKinley and the honorable Theodore H. McCaleb judges on the bench, on motion of John Henderson, esq., of counsel for the plaintiff, and on suggesting to the court that a decree of dismissal was entered at a former day of this term, it is ordered that an appeal be granted from said decree to the Supreme Court of the United States, returnable to the next term thereof, with leave to perfect said appeal by bond and security, in the sum of five hundred dollars, the security to be named and approved by the court within sixty days from this date.

Which appeal bond has been filed in accordance with law and said order.

UNITED STATES OF AMERICA:

United States circuit court, fifth circuit and district of Louisiana, clerk's office.

I, Edmund Randolph, clerk of said court, do hereby certify the foregoing thirty-two pages contain a full and complete transcript of the record proceedings and judgment in the case stated of James G. Wilson vs. Sanford & Co., in chancery.

Given under my hand and the seal of said court, at my office in New Orleans, this 1st day of September, in the year of our Lord one thousand eight hundred and forty-eight.

[L. S.]

EDM'D RANDOLPH, *Clerk.*

By JAS. M. DOWNS, *Deputy Clerk.*

UNITED STATES OF AMERICA:

Circuit court of the United States, for the fifth circuit and district of Louisiana.

JAMES G. WILSON, vs. SANFORD & CO.

I, Theodore H. McCaleb, United States judge for the district of Louisiana, do hereby certify, that Edmund Randolph, whose name is

signed to the above certificate, as clerk of the circuit court of the United States for the district of Louisiana, was at the time of signing said certificate, and is now, the clerk of said court. That said certificate is in due form of law, and that full faith and credit are due to his official attestations as such clerk.

I further certify, that Jas. M. Downs, who signed said Edmund Randolph's name as clerk, was, at the time of signing the same, the duly appointed and qualified deputy clerk of said Edmund Randolph.

Given under my hand and seal, at New Orleans, in the district of Louisiana, this first day of September, A. D. 1848.

THEO. H. McCALEB, *U. S. Judge*. [SEAL.]

Filed 25th September, 1848.